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SENATE BILL

No. 247

Introduced by Senator Perata

(Principal coauthors: Assembly Members Nunez and Plescia)

(Coauthors: Senators Figueroa, Florez, and Kuehl)

(Coauthors: Assembly Members Cohn and Sharon Runner)

February 15, 2005

An act to amend Sections 18600, 18602, 18613, 18618, 18646, 18706, 18711, 18822, 18824, 18880, *and* 18882 of, ~~and~~ to add Sections 18602.5 and 18828 to, and to repeal Section 18603 of, the Business and Professions Code, relating to the Boxing Act.

LEGISLATIVE COUNSEL'S DIGEST

SB 247, as amended, Perata. The Boxing Act.

Existing law, the Boxing Act, creates the State Athletic Commission and makes it responsible for licensing and regulating boxing, kickboxing, and martial arts matches. A violation of the act is a crime.

Existing law gives the commission specified duties and powers, including requiring the commission to appoint an executive officer. Under existing law, the provisions creating the commission become

inoperative on July 1, 2006, and are repealed on January 1, 2007. Existing law also provides for the Boxers' Pension Fund, a continuously appropriated fund, into which contributions to the boxers' pension plan are deposited.

This bill would provide that the Boxing Act may also be referred to as the State Athletic Commission Act. The bill would, as of January 1, 2007, reestablish the commission and provide for the appointment of an executive officer, and would make these provisions inoperative and repeal them on July 1, 2009, and January 1, 2010, respectively. *The bill would provide for the executive officer in office on December 31, 2006, to retain the position through June 30, 2007, and change the replacement procedure for that officer.* The bill would decrease the membership of the commission to 7 and would revise the composition and membership requirements for the commission.

Existing law requires the commission to furnish annually to the Senate Committee on Business and Professions and the Assembly Committee on Governmental Organization a report indicating the amount of assessment collected from each promoter and the purposes for which the moneys were expended.

This bill would instead require that, on or before July 30, 2010, a specified report be made to the Governor and the Legislature on the condition of the State Athletic Commission Neurological Examination Account and the Boxers' Pension Fund. The bill would also require the commission to adopt and then submit to the Governor and the Legislature a strategic plan with specified information by September 30, 2008, a report on the status of the adoption of the strategic plan on or before September 30, 2007, and a report on the implementation of the strategic plan by August 1, 2009.

Existing law requires certain physical examinations to be made upon an athlete regulated by the act as a condition of licensure and prior to a contest or match.

This bill would revise those provisions related to the physical examinations of licensees and contestants, including certain examination requirements, as specified.

Existing law requires every person conducting a contest or wrestling exhibition to, within 72 hours after the determination of a contest or exhibition for which admission is charged and received, furnish the commission with a report under penalty of perjury that includes specified information regarding the receipts and price for the event. Existing law imposes specified fees with respect to athletic contests or

matches regulated by the commission, including a fee of up to 5% of the gross price for the sale, lease, or other exploitation of broadcasting or television rights for a contest or wrestling exhibition, with specified exceptions. *Existing law also imposes a \$1 per ticket fee for persons admitted free of charge if the complimentary passes exceed 25% of the total number of spectators.*

This bill would instead require the report by a person conducting a contest or wrestling exhibition to be made within 5 working days of the event. The bill would require that the fee of up to 5% of the gross price paid for the broadcasting rights be no more than \$10,000, would allow the commission to promulgate regulations to change the amount of the fee, as specified, *raises to 33% the number of spectators that may be admitted without paying the additional fee*, and would make other related changes. The bill would allow the commission to enter into a contract to sanction, supervise, or provide other services for a contest under the act for which these fees do not apply only if the contract provides for appropriate compensation to the commission. The bill would also limit the administrative costs associated with the Boxers' Pension Fund to no more than 20% of the average annual contribution to the fund in the previous 2 years, as specified.

Existing law provides that a license under the act may be renewed any time prior to December 31 of the year it was issued.

This bill would provide that a license issued on and after January 1, 2007, shall expire one year from the date of issue, and would provide for additional requirements for license renewal.

Because this bill would revise certain requirements of the act, the violation of which would be a crime, it would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

SECTION 1. Section 18600 of the Business and Professions Code is amended to read:

18600. This chapter shall be known and may be cited as the Boxing Act or the State Athletic Commission Act.

Whenever a reference is made to the Boxing Act or the State Athletic Commission Act by the provisions of any statute, it is to be construed as referring to the provisions of this chapter.

SEC. 2. Section 18602 of the Business and Professions Code is amended to read:

18602. (a) Except as provided in this section, there is in the Department of Consumer Affairs the State Athletic Commission, which consists of seven members. Five members shall be appointed by the Governor, one member shall be appointed by the Senate Rules Committee, and one member shall be appointed by the Speaker of the Assembly.

The members of the commission appointed by the Governor are subject to confirmation by the Senate pursuant to Section 1322 of the Government Code.

No person who is currently licensed, or who was licensed within the last two years, under this chapter may be appointed or reappointed to, or serve on, the commission.

(b) In appointing commissioners under this section, the Governor, the Senate Rules Committee, and the Speaker of the Assembly shall make every effort to ensure that at least four of the members of the commission shall have experience and demonstrate expertise in one of the following areas:

(1) A licensed physician or surgeon having expertise or specializing in neurology, neurosurgery, head trauma, or sports medicine. Sports medicine includes, but is not limited to, physiology, kinesiology, or other aspects of sports medicine.

(2) Financial management.

(3) Public safety.

(4) Past experience in the activity regulated by this chapter, either as a contestant, a referee or official, a promoter, or a venue operator.

(c) Each member of the commission shall be appointed for a term of four years. All terms shall end on January 1. Vacancies occurring prior to the expiration of the term shall be filled by

1 appointment for the unexpired term. No commission member
2 may serve more than two consecutive terms.

3 (d) Notwithstanding any other provision of this chapter,
4 members first appointed shall be subject to the following terms:

5 (1) The Governor shall appoint two members for two years,
6 two members for three years, and one member for four years.

7 (2) The Senate Committee on Rules shall appoint one member
8 for four years.

9 (3) The Speaker of the Assembly shall appoint one member
10 for four years.

11 (4) The appointing powers, as described in subdivision (a),
12 may appoint to the commission a person who was a member of
13 the prior commission prior to the repeal of that commission on
14 July 1, 2006.

15 (e) This section shall become inoperative on July 1, 2009, and
16 as of January 1, 2010, is repealed, unless a later enacted statute,
17 which becomes operative on or before January 1, 2010, deletes or
18 extends the dates on which it becomes inoperative and is
19 repealed. The repeal of this section renders the commission
20 subject to the review required by Division 1.2 (commencing with
21 Section 473).

22 SEC. 3. Section 18602.5 is added to the Business and
23 Professions Code, to read:

24 18602.5. (a) The commission shall adopt and submit a
25 strategic plan to the Governor and the Legislature on or before
26 September 30, 2008. The commission shall also submit a report
27 to the Governor and the Legislature on the status of the adoption
28 of the strategic plan on or before September 30, 2007. The
29 strategic plan shall include, but shall not be limited to, efforts to
30 resolve prior State Athletic Commission deficiencies in the
31 following areas:

32 (1) Regulation of the profession, what fees should be paid for
33 this regulation, and the structure and equity of the fees charged.

34 (2) The effect and appropriateness of contracts made pursuant
35 to Section 18828.

36 (3) Costs to train officials.

37 (4) Steps that need to be taken to ensure sufficient sources of
38 revenue and funding.

39 (5) Necessity for review and modification of organizational
40 procedures, the licensing process, and the complaint process.

1 (6) Outdated information technology.

2 (7) Unorganized and improper accounting.

3 (8) Miscalculations at events, a lack of technology to record
4 proper calculations, and funding issues.

5 (9) The health and safety of the participants and the public in
6 attendance at events regulated under this chapter, including costs
7 of examinations under Section 18711.

8 (b) The commission shall solicit input from the public, the
9 State Auditor, the Little Hoover Commission, the Center for
10 Public Interest Law, and others as necessary in preparing and
11 adopting the strategic plan.

12 (c) The commission shall report on progress in implementing
13 the strategic plan to the Director of Consumer Affairs, the
14 Governor, and the Legislature by August 1, 2009.

15 SEC. 4. Section 18603 of the Business and Professions Code
16 is repealed.

17 SEC. 5. Section 18613 of the Business and Professions Code
18 is amended to read:

19 18613. (a) ~~The commission, by and with the approval of the~~
20 ~~director, shall appoint an executive officer and fix his or her~~
21 ~~compensation. The executive officer shall carry out the duties~~
22 ~~prescribed by this chapter and additional duties as may be~~
23 ~~delegated by the commission. (1) To assure the continuity and~~
24 ~~stable transition as the commission is reformed on January 1,~~
25 ~~2007, the executive officer in place on December 31, 2006, shall~~
26 ~~be reappointed on January 1, 2007, for a term through June 30,~~
27 ~~2007. On or before June 30, 2007, but not earlier than June 1,~~
28 ~~2007, the commission shall determine whether to retain the~~
29 ~~services of the executive officer who was in place on December~~
30 ~~31, 2006, or to follow the procedure set forth in paragraph (2) of~~
31 ~~this subdivision to appoint a new executive officer. During the~~
32 ~~period between January 1, 2007, and June 30, 2007, any~~
33 ~~inconsistent provisions of this section notwithstanding, the~~
34 ~~executive officer may be terminated for cause upon the~~
35 ~~affirmative vote of a majority of the members of the commission.~~

36 (2) *If at any time the position of executive officer becomes*
37 *vacant, the commission shall appoint an executive officer by*
38 *submission to the director of three names of individuals to serve*
39 *as executive officer. The director shall approve the executive*
40 *officer from among those individuals. The commission shall fix*

1 *the compensation of the executive officer. The executive officer*
2 *shall carry out the duties as prescribed by this chapter and*
3 *additional duties as may be delegated by the commission. The*
4 *commission shall have the exclusive right to terminate the*
5 *employment of the executive officer upon the affirmative vote of a*
6 *majority of the commission members.*

7 (3) The commission may employ in accordance with Section
8 154 other personnel as may be necessary for the administration
9 of this chapter.

10 (b) This section shall become inoperative on July 1, 2009, and,
11 as of January 1, 2010, is repealed, unless a later enacted statute,
12 which becomes effective on or before January 1, 2010, deletes or
13 extends the dates on which it becomes inoperative and is
14 repealed.

15 SEC. 6. Section 18618 of the Business and Professions Code
16 is amended to read:

17 18618. The commission shall furnish to the Governor and the
18 Legislature a report, on or before July 30, 2010, on the following:

19 (a) The condition of the State Athletic Commission
20 Neurological Examination Account. This report shall include the
21 amount of the assessment collected from each promoter pursuant
22 to Section 18711, the purposes for which moneys in the account
23 are expended, and findings and recommendations on the
24 amounts, appropriateness, and effectiveness of these assessments.
25 The report shall also include a recommendation on the viability
26 and need for creating a medical database that would be used for
27 identifying trends in medical records and data associated with
28 injuries and deaths related to competing.

29 (b) The condition of the Boxers' Pension Fund. This report
30 shall include a recommendation on whether the fund should be
31 continued and, if so, whether it should be expanded to include all
32 athletes licensed under this chapter and appropriate fees paid into
33 the fund.

34 SEC. 7. Section 18646 of the Business and Professions Code
35 is amended to read:

36 18646. (a) This chapter applies to all amateur boxing,
37 wrestling, and full contact martial arts contests.

38 (b) The commission may, however, authorize a nonprofit
39 boxing, wrestling, or martial arts club or organization, upon
40 approval of its bylaws, to administer its rules for amateur boxing,

1 wrestling, and full contact martial arts contests, and may,
2 therefore, waive direct commission application of laws and rules,
3 including licensure, subject to the commission's affirmative
4 finding that the standards and enforcement of similar rules by
5 that club or organization meet or exceed the safety and fairness
6 standards of the commission. The commission shall review the
7 performance of any such club or organization annually.

8 (c) Every contest subject to this section shall be preceded by a
9 physical examination, specified by the commission, of every
10 contestant. A physician shall be in attendance at the contest.
11 There shall be a medical insurance program satisfactory to the
12 commission provided by the amateur club or organization in
13 effect covering all contestants. The commission shall review
14 compliance with these requirements.

15 (d) Any club or organization which conducts, holds, or gives
16 amateur contests pursuant to this section, which collects money
17 for the event, shall furnish a written financial report of receipts
18 and disbursements within 90 days of the event.

19 (e) The commission has the right to have present without
20 charge or restriction such representatives as are necessary to
21 obtain compliance with this section.

22 (f) The commission may require any additional notices and
23 reports it deems necessary to enforce the provisions of this
24 section.

25 SEC. 8. Section 18706 of the Business and Professions Code
26 is amended to read:

27 18706. (a) Not later than at the weigh-in time, which shall be
28 not more than 30 hours prior to the beginning of the first event,
29 the physician provided for in Section 18705 shall conduct a
30 physical examination of the contestant and certify in writing as to
31 the contestant's physical condition to engage in the contest or
32 match.

33 (1) The commission shall make the contestants' medical
34 records available to the physician and the physician shall review
35 the contestant's medical records as part of the certification of the
36 contestant's physical condition.

37 (2) The physician shall determine whether the contestant may
38 have any knowledge, manifestations, symptoms, or prior history
39 of a physical condition that may affect the contestant's ability to
40 perform or present a potential threat to the contestant's health as

1 a result of competing in the contest or match. The contestant
2 shall complete a questionnaire developed by the commission.
3 The contestant shall be asked to disclose on the questionnaire any
4 conditions of which the contestant is aware, including, but not
5 limited to, any of the following:

6 (A) Significant weight gain or loss and any change in weight
7 in the seven days prior to the contest.

8 (B) Neuromuscular condition, including peripheral nerves,
9 muscle problems, and brain problems.

10 (C) Pregnancy.

11 (D) Bone fractures and all forms of arthritis.

12 (E) Any condition related to vision or changes in hearing
13 function.

14 (F) Heart condition or other cardiovascular condition.

15 (G) Pulmonary or respiratory condition.

16 (H) Renal or urological condition.

17 (I) Hematological condition, including manifestations of any
18 unusual bleeding or bruising.

19 If any condition is disclosed under this paragraph, the
20 physician shall not allow the contestant to compete unless the
21 physician or, at the contestant's discretion, the contestant's
22 personal physician, who is licensed to practice medicine in the
23 United States, has conducted a physical examination and
24 determined that the specific condition does not affect the
25 contestant's ability to perform or present a potential threat to the
26 contestant's health as a result of competing in the contest or
27 match.

28 (3) The questionnaire shall be developed by the commission
29 through promulgated regulations in consultation with qualified
30 medical professionals.

31 (4) Nothing in this chapter may be construed to require a
32 contestant to submit to a pregnancy test.

33 (b) On the day of the event, and no later than one hour before
34 the contestants enter the ring, the physician provided for in
35 Section 18705 shall conduct a brief reexamination and certify in
36 writing as to the contestant's physical condition to engage in the
37 contest or match. This reexamination shall include an evaluation
38 of any significant changes since the physical examination
39 provided under subdivision (a).

1 (c) A report of the medical examinations shall be filed with the
2 commission not later than 24 hours after the termination of the
3 contest or match. The physician's report of the examination shall
4 include specific mention as to the condition of the contestant's
5 heart, nerves and brain.

6 SEC. 9. Section 18711 of the Business and Professions Code
7 is amended to read:

8 18711. (a) (1) The commission shall require, as a condition
9 of licensure and as a part of the application process, the
10 examination by a licensed physician and surgeon who specializes
11 in neurology and neurosurgery of each applicant for a license as
12 a professional athlete or contestant licensed under this chapter or,
13 if for the renewal of a license, this examination every year, in
14 addition to any other medical examinations. Upon initial
15 licensure, the examination shall include ~~a dilated ophthalmologic~~
16 ~~eye examination by an ophthalmologist, tests and examinations~~
17 *designed to detect physical conditions that could place the*
18 *athlete or contestant at risk for serious injury or permanent or*
19 *temporary impairment of any bodily function. These tests or*
20 *examinations shall include, but not be limited to, a neurological*
21 *examination or a neuro-psychological examination, a brain*
22 *imaging scan, and an electrocardiogram (EKG). The physician*
23 *may recommend any additional tests or evaluations he or she*
24 *deems necessary. For renewal of a license, the physician shall*
25 *determine the tests or evaluations necessary, if any. The*
26 *commission may require an athlete or contestant licensed under*
27 *this chapter to undergo additional neurological tests where, based*
28 *on the totality of the athlete's or contestant's records, it appears*
29 *the athlete or contestant may be at risk of cognitive impairment.*
30 *On the basis of a physical examination under this subdivision,*
31 *and any additional tests that are conducted, the physician may*
32 *recommend to the commission whether the applicant may be*
33 *permitted to be licensed in California or not. The executive*
34 *officer shall review these recommendations and report any*
35 *denials of licensure. If, as a result of these recommendations, the*
36 *executive officer refuses to grant the applicant a license or to*
37 *renew a license, the applicant shall not compete in California*
38 *until the denial has been overruled by the commission as*
39 *provided in this chapter.*

1 (2) In the absence of any pertinent untoward medical event,
2 the commission may, in its discretion, on forms prescribed by the
3 commission, accept tests or evaluations completed within one
4 year of licensure or completed as part of licensure in another
5 state to meet the requirements of this subdivision. The
6 commission may waive the requirement for a brain imaging scan
7 or an EKG if a brain imaging scan or EKG has been completed
8 as part of licensure in another state, the commission determines
9 that this creates a reliable baseline for the athlete or contestant,
10 and the commission has been provided a copy of the reports of
11 those exams.

12 (3) (A) Any medical records obtained, reviewed, or created
13 under this chapter shall be utilized only for purposes of
14 administering this chapter. The commission and any physician
15 may not disclose the athlete's medical records without a signed
16 authorization from the athlete, except that the commission may
17 disclose those records to other state licensing boards and
18 commissions to which the athlete has applied for licensure or has
19 an enforcement action pending, or upon court order in a criminal
20 or civil action.

21 (B) The commission may use medical information for
22 purposes of participating in medical research studies of the
23 effects on the human body of contests and exhibitions regulated
24 under this chapter. However, medical information shall not
25 include any personal identifying information on any contestant,
26 including, but not limited to, the contestant's name, address,
27 telephone number, social security number, license number,
28 federal identification number, or any other information
29 identifying the contestant. The medical information shall only be
30 provided if the licensed athlete has consented in writing to
31 participating in the research study.

32 (b) If an applicant for licensure as a professional athlete under
33 this chapter undergoes a neurological examination for purposes
34 of licensure within the 120-day period immediately preceding the
35 normal expiration of that license, the applicant shall not be
36 required to undergo an additional neurological examination
37 within the following 12 consecutive month license period unless
38 the commission, for cause, orders that the examination be taken.
39 The commission shall notify all commission approved physicians

1 and referees that the commission has the authority to order any
2 professional athlete to undergo a neurological examination.

3 (c) The cost of the examinations required by this section shall
4 be paid from assessments on any one or more of the following:
5 promoters of professional matches, managers, and professional
6 athletes or other contestants licensed under this chapter. The rate
7 and manner of assessment shall be set by the commission, and
8 may cover all costs associated with the requirements of this
9 section. This assessment shall be imposed on all contests
10 approved by the commission under this chapter. As of July 1,
11 1994, all moneys received by the commission pursuant to this
12 section shall be deposited in and credited to the State Athletic
13 Commission Neurological Examination Account which is hereby
14 created in the General Fund.

15 (d) Whenever a reference is made to the Boxers' Neurological
16 Examination Account, it is to be construed as referring to the
17 State Athletic Commission Neurological Examination Account.

18 SEC. 10. Section 18822 of the Business and Professions Code
19 is amended to read:

20 18822. (a) For licenses issued before January 1, 2007, a
21 license may be renewed at any time prior to midnight on
22 December 31 of the year in which it was issued. If not renewed,
23 the license shall expire at that time.

24 (b) ~~A licensed license~~ issued on or after January 1, 2007, shall
25 ~~expire one year from the date it was issued~~ *12 months after*
26 *issuance, on the last day of the 12th month.* To renew an
27 unexpired license, the licenseholder shall, on or before midnight
28 of the day on which the license would otherwise expire, apply for
29 renewal on a form prescribed by the commission and pay the
30 prescribed renewal fee. If the licenseholder is a boxer or martial
31 arts contestant, the renewal application shall also be accompanied
32 by the required medical examinations and test results. ~~If not~~
33 ~~renewed, the license shall expire at that time.~~ Renewal of an
34 unexpired license shall continue the license in effect for one year
35 from the expiration date of the license, when it shall *again* expire
36 if it is not renewed.

37 SEC. 11. Section 18824 of the Business and Professions Code
38 is amended to read:

39 18824. (a) (1) Except as provided in Sections 18646 and
40 18832, every person who conducts a contest or wrestling

1 exhibition shall, within five working days after the determination
2 of every contest or wrestling exhibition for which admission is
3 charged and received, furnish to the commission a written report
4 executed under penalty of perjury by one of the officers, showing
5 the amount of the gross receipts, not to exceed two million
6 dollars (\$2,000,000), and the gross price for the contest or
7 wrestling exhibition charged directly or indirectly and no matter
8 by whom received, for the sale, lease, or other exploitation of
9 broadcasting and television rights of the contest or wrestling
10 exhibition, and without any deductions, except for expenses
11 incurred for one broadcast announcer, telephone line connection,
12 and transmission mobile equipment facility, which may be
13 deducted from the gross taxable base when those expenses are
14 approved by the commission.

15 (A) The person shall also, within the same time, pay to the
16 commission a fee of 5 percent, exclusive of any federal taxes
17 paid thereon, of the amount paid for admission to the contest or
18 wrestling exhibition, except that, for any one contest, the fee
19 shall not exceed the amount of one hundred thousand dollars
20 (\$100,000).

21 (B) The person shall also, at the same time, pay to the
22 commission a fee of up to 5 percent of the gross price as
23 described above for the sale, lease, or other exploitation of
24 broadcasting or television rights thereof, which fee, except as
25 provided in paragraph (2), shall be no more than ten thousand
26 dollars (\$10,000) and no less than one thousand dollars (\$1,000).
27 The minimum fee for an amateur contest or exhibition shall not
28 be less than five hundred dollars (\$500). The amount of the gross
29 receipts upon which the fee provided for in this section is
30 calculated shall not include any assessments levied by the
31 commission under Section 18711.

32 The fee on admission shall apply to the amount actually paid
33 for admission and not to the regular established price.

34 No fee is due in the case of a person admitted free of charge.
35 However, if the total number of persons admitted free of charge
36 to a contest or exhibition under this chapter exceeds ~~25~~ 33
37 percent of the total number of spectators, then a fee of one dollar
38 (\$1) per complimentary ticket or pass used to gain admission to
39 the contest shall be paid to the commission for each

1 complimentary ticket or pass that exceeds the numerical total of
2 25 33 percent of the total number of spectators.

3 (2) The commission may promulgate regulations to change the
4 amount of the fee charged under subparagraph (B) of paragraph
5 (1). In no case shall the fee be more than 5 percent of the gross
6 price as described above for the sale, lease, or other exploitation
7 of broadcasting or television rights thereof.

8 (b) If the fee on admissions for any one contest exceeds
9 seventy thousand dollars (\$70,000), the amount in excess of
10 seventy thousand dollars (\$70,000) shall be paid one-half to the
11 commission and one-half to the Boxers' Pension Fund.

12 (c) As used in this section, "person" includes a promoter, club,
13 individual, corporation, partnership, association, or other
14 organization, and "wrestling exhibition" means a performance of
15 wrestling skills and techniques by two or more individuals, to
16 which admission is charged or which is broadcast or televised, in
17 which the participating individuals are not required to use their
18 best efforts in order to win, and for which the winner may have
19 been selected before the performance commences.

20 SEC. 12. Section 18828 is added to the Business and
21 Professions Code, to read:

22 18828. (a) The commission may enter into a contract to
23 sanction, supervise, or provide other services for contests under
24 this chapter for which the fees under this chapter do not apply
25 only if the contract provides ~~for appropriate compensation to the~~
26 ~~commission~~ *a payment to the commission for reasonable and*
27 *necessary services provided under the contract.*

28 (b) It is the intent of the Legislature that ~~appropriate~~
29 ~~compensation to the commission~~ *payment under subdivision (a)*
30 shall include the following:

31 (1) Consideration of costs incurred by the commission.

32 (2) A contribution into the Boxers' Pension Fund of not less
33 than 20 percent of the commission's costs under paragraph (1).

34 (3) A contribution into the State Athletic Commission
35 Neurological Examination Account of not less than 20 percent of
36 the commission's costs under paragraph (1).

37 ~~(4) That the contestant's participation in the contest shall be~~
38 ~~considered in consideration of participation and eligibility in the~~
39 ~~Boxers' Pension Fund.~~

1 (c) *A contestant's participation in a contest subject to this*
2 *section shall be deemed to be a commission-approved contest for*
3 *purposes of participation in the Boxers' Pension Plan.*

4 SEC. 13. Section 18880 of the Business and Professions Code
5 is amended to read:

6 18880. (a) The Legislature finds and declares all of the
7 following:

8 (1) That professional athletes licensed under this chapter, as a
9 group, for many reasons, do not retain their earnings, and are
10 often injured or destitute, or both, and unable to take proper care
11 of themselves, whether financially or otherwise, and that the
12 enactment of this article is to serve a public purpose by making
13 provisions for a needy group to insure a modicum of financial
14 security for professional athletes.

15 (2) Athletes licensed under this chapter may suffer
16 extraordinary disabilities in the normal course of their trade.
17 These may include acute and chronic traumatic brain injuries,
18 resulting from multiple concussions as well as from repeated
19 exposure to a large number of subconcussive punches, eye
20 injuries, including retinal tears, holes, and detachments, and other
21 neurological impairments.

22 (3) The pension plan of the commission is part of the state's
23 health and safety regulatory scheme, designed to protect boxers
24 licensed under this chapter from the health-related hazards of
25 their trade. The pension plan addresses those health and safety
26 needs, recognizing the disability and health maintenance
27 expenses those needs may require.

28 (4) The regulatory system of California is interrelated with the
29 conduct of the trade in every jurisdiction. Athletes licensed under
30 this chapter participate in contests in other states and many
31 athletes who are based in those other jurisdictions may
32 participate in California on a single-event basis.

33 (5) The outcomes and natures of fights in other jurisdictions
34 are relevant to California regulatory jurisdiction and are routinely
35 monitored for health and safety reasons, so that, for example, a
36 knockout of an athlete licensed under this chapter in another
37 jurisdiction is paid appropriate heed with respect to establishing
38 a waiting period before that athlete may commence fighting in
39 California.

1 (6) The monitoring of other jurisdictions is an integral part of
2 the health and safety of California athletes licensed under this
3 chapter due to the interstate nature of the trade, and therefore the
4 regulatory scheme for contests and athletes under this chapter
5 should reflect this accordingly.

6 (b) The provisions of this article pertain only to professional
7 boxers licensed under this chapter.

8 SEC. 14. Section 18882 of the Business and Professions Code
9 is amended to read:

10 18882. (a) At the time of payment of the fee required by
11 Section 18824, a promoter shall pay to the commission all
12 amounts scheduled for contribution to the pension plan. If the
13 commission, in its discretion, requires pursuant to Section 18881,
14 that contributions to the pension plan be made by the boxer and
15 his or her manager, those contributions shall be made at the time
16 and in the manner prescribed by the commission.

17 (b) All contributions to finance the pension plan shall be
18 deposited in the State Treasury and credited to the Boxers'
19 Pension Fund, which is hereby created. Notwithstanding the
20 provisions of Section 13340 of the Government Code, all moneys
21 in the Boxers' Pension Fund are hereby continuously
22 appropriated to be used exclusively for the purposes and
23 administration of the pension plan.

24 (c) The Boxers' Pension Fund is a retirement fund, and no
25 moneys within it shall be deposited or transferred to the General
26 Fund.

27 (d) The commission has exclusive control of all funds in the
28 Boxers' Pension Fund. No transfer or disbursement in any
29 amount from this fund shall be made except upon the
30 authorization of the commission and for the purpose and
31 administration of the pension plan.

32 (e) Except as otherwise provided in this subdivision, the
33 commission or its designee shall invest the money contained in
34 the Boxers' Pension Fund according to the same standard of care
35 as provided in Section 16040 of the Probate Code. The
36 commission has exclusive control over the investment of all
37 moneys in the Boxers' Pension Fund. Except as otherwise
38 prohibited or restricted by law, the commission may invest the
39 moneys in the fund through the purchase, holding, or sale of any

1 investment, financial instrument, or financial transaction that the
2 commission in its informed opinion determines is prudent.

3 (f) The administrative costs associated with investing,
4 managing, and distributing the Boxers' Pension Fund shall be
5 limited to no more than 20 percent of the average annual
6 contribution made to the fund in the previous two years, not
7 including any investment income derived from the corpus of the
8 fund. Diligence shall be exercised by administrators in order to
9 lower the fund's expense ratio as far below 20 percent as feasible
10 and appropriate.

11 SEC. 15. No reimbursement is required by this act pursuant
12 to Section 6 of Article XIII B of the California Constitution
13 because the only costs that may be incurred by a local agency or
14 school district will be incurred because this act creates a new
15 crime or infraction, eliminates a crime or infraction, or changes
16 the penalty for a crime or infraction, within the meaning of
17 Section 17556 of the Government Code, or changes the
18 definition of a crime within the meaning of Section 6 of Article
19 XIII B of the California Constitution.